

Message Text

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12

ACTION EUR-12

INFO OCT-01 ISO-00 L-03 EB-07 COME-00 TRSE-00 STR-04 SS-15

NSC-05 CIAE-00 INR-07 NSAE-00 /054 W

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R 081850Z DEC 76

FM AMEMBASSY PARIS

TO SECSTATE WASHDC 7776

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DEPT PASS TREASURY FOR CHARLES KINGSON

E.O. 11652: N/A

TAGS: EFIN, FR

SUBJ: PROPOSED CHANGE IN FRENCH TAX CODE

REF: PARIS 31772

1. IN EVENING SESSION ON DECEMBER 7 NATIONAL ASSEMBLY PASSED VERSION OF TAX BILL WHICH RESTORES GOVERNMENT PROPOSAL TO REPEAL ARTICLE 164 OF FRENCH INCOME TAX CODE (WHICH REPEAL HAD BEEN DELETED FROM DRAFT BILL BY SENATE ACTION IN OCTOBER) BUT PROVIDES THAT REPEAL OF ARTICLE 164 WILL NOT RPT NOT GO INTO EFFECT UNTIL JANUARY 1, 1978.

2. BILL MUST NOW GO TO JOINT SENATE-ASSEMBLY COMMITTEE FOR RECONCILIATION OF SENATE AND ASSEMBLY VERSIONS, AND THEN WILL BE RETURNED TO BOTH HOUSES FOR SECOND READING. OUR ASSUMPTION IS THAT ASSEMBLY VERSION, WHICH GOVERNMENT SPOKESMAN SPECIFICALLY SAID GOF PREPARED TO ACCEPT, WILL PREVAIL.

3. THIS PROVIDES GRACE PERIOD DURING WHICH MODIFICATIONS TO OUR DOUBLE TAX TREATY CAN BE NEGOTIATED AND ALSO DURING WHICH AFFECTED U.S. CITIZENS RESIDING IN FRANCE CAN REVIEW THEIR OWN PERSONAL TAX SITUATION AND INVESTMENT PLANS WITHOUT HAVING THREAT OF IMMINENT ADDITIONAL AND UNCERTAIN TAX LIABILITY HANGING OVER

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THEIR HEADS.

4. THIS ADDITIONAL YEAR OF GRACE SHOULD GO FAR TO TAKE
STEAM OUT OF ANY REMAINING PRIVATE U.S. PROTESTS ON
THIS PARTICULAR TAX FRONT.
RUSH

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TAX REFORMS, TAX AGREEMENTS, INCOME TAXES
Control Number: n/a
Copy: SINGLE
Draft Date: 08 DEC 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: coburnhl
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Executive Order: N/A
Errors: N/A
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Reference: 76 PARIS 31772
Review Action: RELEASED, APPROVED
Review Authority: coburnhl
Review Comment: n/a
Review Content Flags:
Review Date: 23 APR 2004
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Review Exemptions: n/a
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Margaret P. Grafeld
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